

THE SECRETARY OF STATE  
WASHINGTON

CONFIDENTIAL

February 5, 1981

MEMORANDUM FOR: THE PRESIDENT

From : The Secretary of State *[Signature]*  
The Secretary of Defense *[Signature]*

Subject : The National Security Council Structure

At the outset of your Administration, it is important that an orderly framework be established for the formulation of foreign and defense policy. Toward this end, we have prepared for your consideration a draft directive which would establish such a system.

Reduced to its essentials, the system would provide for the study and development of policy alternatives by inter-departmental groups comprising representatives from your staff at the White House and all Departments/Agencies with relevant expertise and interests. These groups would be chaired by Assistant Secretaries of State or Defense depending upon the issue to be addressed. Once the analysis of the alternatives has been developed, the range of options would be forwarded for higher-level consideration and decision--first at the Deputy Secretary level--and, in the event of disagreement, to the National Security Council and you personally.

It is clear that many issues elude precise definition as pertaining exclusively to Defense or Foreign policy. Consequently to make this process effective we two must be alert to matters which fall within this grey area and when they arise, coordinate closely to reach agreement on how to proceed. Both of us are pledged to this end and are confident that the procedures we recommend will fulfill your mandate.

As you know, we are confronted by a number of compelling problems--Poland, El Salvador, Iran and a number of defense

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initiatives, to name but a few. Consequently, it is vital that a system be put in place promptly so that we can get on with the business at hand.

To insure for you full and proper elucidation of the views and recommendations of your two senior foreign and defense policy advisors, Cap and I have agreed to the following process. Where a foreign policy issue also has to do with defense policy, the Department of State will prepare and distribute the agenda and invite appropriate attendees after having consulted with the Department of Defense. Likewise in cases of overlapping responsibility the official record of the meetings of the interagency groups will reflect the views of both Departments. To facilitate this, the Department not chairing the meeting will be provided an opportunity to review the minutes of the meeting and make any necessary amendments. Finally, when findings, recommendations, or decisions of any of the interagency groups are to be presented to you, both of us will be represented as, of course, is always the case at meetings of the NSC.

RECOMMENDATION:

That you sign the National Security Decision Directive at Tab 1.

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February 2, 1981

NATIONAL SECURITY DECISION DIRECTIVE 2

TO:           The Vice President  
              The Secretary of State  
              The Secretary of the Treasury  
              The Secretary of Defense  
              The Attorney General  
              The Secretary of Commerce  
              The Secretary of Energy  
              The Director of Office of Management & Budget  
              The Director of Central Intelligence  
              The United States Representative to the United Nations  
              The Counsellor to the President  
              The Chairman, Council of Economic Advisers  
              The Assistant to the President for  
                  National Security Affairs  
              The Director, Arms Control and Disarmament Agency  
              The Chief of Staff to the President  
              The Chairman, Joint Chiefs of Staff

SUBJECT:   The National Security Council Structure

I.   National Security Council

The National Security Council shall be the principal forum for consideration of national security policy issues requiring Presidential decision.

The functions and responsibilities of the National Security Council shall be as set forth in the National Security Act of 1947, as amended.

The Council shall meet regularly. Those heads of Departments and Agencies who are not statutory members shall participate as appropriate, when matters affecting their Departments or Agencies are considered.

The (Counsellor to the President) (Assistant to the President for National Security Affairs) 1/ in consultation

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with the Secretaries of State and Defense, shall be responsible for determining and publishing the agenda and ensuring that the necessary papers are prepared. Decision papers (NSDDs) will be published over the signature of the (Counsellor to the President) (President or the Chairman of a Senior Interagency Group). 2/

II. Responsibilities of the Secretary of State

The Secretary of State is my principal foreign policy advisor. As such, he is responsible for the formulation of foreign policy and for the execution of approved policy.

I have assigned to the Secretary of State authority and responsibility, to the extent permitted by law, for the overall direction, coordination, and supervision of the interdepartmental activities directly relevant to foreign policy formulation, and all activities of Executive Departments and Agencies of the United States overseas. Such activities do not include those of United States military forces operating in the field under the command of a United States area military commander, and such other military activities as I elect, as Commander-in-Chief, to conduct exclusively through military or other channels. Activities that are internal to the execution and administration of the approved programs of a single department or agency and which are not of such nature as to affect significantly the overall US overseas program in a country or region are not considered to be interdepartmental matters within the meaning of this Directive.

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The Secretary of State is responsible for preparation of those papers addressing matters affecting the foreign policy and foreign relations of the United States for consideration by the NSC.

III. Responsibilities of the Secretary of Defense

The Secretary of Defense is my principal defense policy advisor. As such, he is responsible for the formulation of general defense policy, policy related to all matters of direct and primary concern to the Department of Defense, and for the execution of approved policy. The Joint Chiefs of Staff are the principal military advisors to myself, the Secretary of Defense, and the National Security Council.

I have assigned to the Secretary of Defense authority and responsibility, to the extent permitted by law, for the overall direction, coordination, and supervision of the inter-departmental activities relevant to defense policy formulation.

The Secretary of Defense is responsible for preparation of those papers addressing matters affecting the defense policy of the United States for consideration by the NSC.

IV. Interagency Groups

To assist the National Security Council at large and its individual members in fulfilling their responsibilities, interagency groups are established as described herein. The focus of these interagency groups is to establish policy objectives, make appropriate recommendations and decisions,

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and consider the implications of agency programs for foreign policy or overall national security policy.

A. The Senior Interagency Group -- Foreign Policy (SIG-FP)

To advise and assist the Secretary of State in exercising his authority and discharging his responsibility for foreign policy and foreign affairs matters, the SIG-FP is established. The SIG-FP shall comprise the Deputy Secretary of State (Chairman), the Deputy Secretary of Defense or Under Secretary of Defense for Policy, the Director of Central Intelligence, the Chairman of the Joint Chiefs of Staff, and the (Counsellor to the President) (Assistant to the President for National Security Affairs). <sup>1/</sup> Representatives of other Departments and Agencies with responsibility for specific matters to be considered will attend on invitation by the Chairman.

The Senior Interagency Group -- Foreign Policy will:

1. Ensure that important foreign policy issues requiring interagency attention receive full, prompt, and systematic consideration;
2. Deal with interdepartmental matters raised by any member or referred to it by subordinate interagency groups, or, if such matters require higher-level consideration, report them to the Secretary of State for decision or referral to the National Security Council;
3. Assure a proper selectivity of the foreign policy/foreign affairs areas and issues to which the United States applies its efforts;

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4. Monitor the execution of approved policies and decisions; and
5. Evaluate the adequacy and effectiveness of interdepartmental overseas programs and activities.

A secretariat comprising full-time personnel of the State Department, and augmented as necessary by temporary personnel provided in response to the Chairman's request by the Departments and Agencies represented on the SIG-FP, shall be established.

B. The Senior Interagency Group -- Defense Policy (SIG-DP)

To advise and assist the Secretary of Defense in discharging his authority and responsibility for defense policy, the SIG-DP is established. The SIG-DP shall consist of the Deputy Secretary of Defense (Chairman), the Deputy or an Under Secretary of State, the Director of Central Intelligence, the Chairman, Joint Chiefs of Staff, and the (Counsellor to the President) (Assistant to the President for National Security Affairs). <sup>1/</sup> (Representatives of other Departments and Agencies with specific matters to be considered will attend on invitation by the Chairman.)

The Senior Interdepartmental Group -- Defense Policy will:

1. Ensure that important defense policy issues requiring interagency attention receive full, prompt, and systematic consideration.

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2. Deal with interdepartmental matters raised by any member or referred to it by subordinate interagency groups, or if such matters require higher-level consideration, report them to the Secretary of Defense for decision or referral to the National Security Council and the President; and
3. Monitor the execution of approved policies and decisions.

A secretariat comprising full-time personnel of the Department of Defense, and augmented as necessary by temporary personnel provided in response to the Chairman's request by the Departments and Agencies represented on the SIG-DP, shall be established.

C. Regional and Functional Interagency Groups

To assist the SIG (Foreign Policy) Interdepartmental Groups (IG) shall be established by the Secretary of State for each geographic region corresponding to the jurisdiction of the geographic bureaus in the Department of State, for Political-Military Affairs, and for International Economic Affairs. Each IG shall comprise the appropriate Assistant Secretary of State (Chairman) and a designated representative of the Secretary of Defense, the Director of CIA, the Chairman of the Joint Chiefs of Staff, and the (Counsellor to the President) (Assistant to the President for National Security Affairs). 1/

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Representatives of other Departments and Agencies with responsibility for specific matters to be considered will attend on invitation by the Chairman. The IG for International Economic Affairs will, in addition to the above membership, include representatives of the Secretary of Treasury, the Secretary of Commerce, the Secretary of Agriculture and the Special Trade Representative.

The Assistant Secretaries of State, in their capacities as Chairmen of the IGs, will assure the adequacy of United States policy in the areas of their groups' responsibilities and of the overall plans for implementing that policy. They will be responsible for the conduct of inter-agency policy studies within the areas of their responsibility for consideration by the Senior Interdepartmental Group.

The Regional Interdepartmental Groups also shall prepare contingency plans pertaining to actual and potential crises in their respective areas of responsibility. Overall contingency planning will be conducted under the direction of and in coordination with the Chairman of the Political-Military Interdepartmental Group. The military component of this contingency planning will be the responsibility of the Department of Defense. To deal with specific contingencies, IGs will establish full-time working groups which will support crisis management operations.

To assist the SIG (Defense Policy) appropriate Interdepartmental Groups (IGs) shall be established by the

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Secretary of Defense to consider interdepartmental activities of direct and primary concern to the Department of Defense and defense policy.

The establishment of an interdepartmental mechanism for dealing with intelligence matters will be treated in a subsequent NSDD.

The operational responsibility or authority of a Secretary or other Agency Head over personnel from the Department or Agency concerned serving on Interdepartmental Groups -- including the authority to give necessary guidance to the representatives in the performance of Interdepartmental Group duties -- is not limited by this Directive.

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NOTES

- 1/ The two offices within the White House holding responsibility for national security are presented as alternative originators of National Security Council material. The Department of Defense understands that the Counsellor will carry out this role; the Department of State has no preference.
- 2/ With respect to the signator of decision directives, the Department of Defense understands that the Counsellor is to perform this function. The Department of State points out that decisions reached without disagreement at the interagency level often involve minor matters of no consequence and need not require White House attention. Conversely, matters referred to the National Security Council and decided by the President should be given the force of his signature.

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